

## **LETTER OF UNDERSTANDING**

### **Article 4**

#### **Union Rights**

During the course of negotiations, the parties discussed methods of providing to the Union information regarding retiree status changes (addresses, telephone numbers, etc.). As a result, the Employer agrees to match information from the Union with information on the State's database on a semi-annual basis. The State will provide to the Union at actual cost a report of any discrepancies.

#### **FOR THE UNION**

David Burtch  
Assistant Director  
T.O.P. Department  
International Union,  
UAW

Patricia A. Hough  
President  
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#### **FOR THE OFFICE OF THE STATE EMPLOYER**

Sharon Rothwell  
Director

Thomas N. Hall  
Chief Negotiator

## **LETTER OF UNDERSTANDING**

### **Article 4**

During the 2004 negotiations, the parties discussed the issue of Union dues deductions and information provided to the Union. The Employer reaffirms its obligation to transmit required information to the Union. The Employer also reaffirms its obligation as determined by the Agreement to properly deduct Union dues and/or fees. The following subjects will be addressed and implemented as soon as possible:

1. The step action tables will be revised to highlight the necessity of reviewing the Union deduction code for new employees or employees returning to the payroll.
2. The new employee packet shall include a checklist which will require that the Union authorization forms provided by the Union be included and a box be checked in order to process the paperwork.
3. The Union shall be notified of all transactions within the pay period as provided in Section B. of this Article.
4. The Employer will identify employees whose deduction code does not match their Union code. It is the objective to correct any errors found before the payroll is actually run so that only proper deductions are taken and remitted to the Union.

## **LETTER OF UNDERSTANDING**

### **Article 6**

#### **Union Dues and Fees**

During 2013 negotiations, the parties recognized that the UAW has challenged the application of Public Act 349 of 2012, the public sector "Right to Work" Law, to employees in the classified service. The parties also recognized that the UAW and others have challenged the overall legality of Public Act 349.

This contract amends Article 6 consistent with Public Act 349, with the express understanding that the UAW maintains its challenges to the Act, as set forth in the pending *International Union v. YAW*, Court of Appeals No. 314781 (application for leave to appeal to Supreme Court filed September 11, 2013). If the UAW should prevail on its challenges, the parties agree to return to contract language in Article 6 in the 2011-2013 Collective Bargaining Agreement. The parties further agree to return to contract language in Article 6 in the 2011-2013 Collective Bargaining Agreement if Public Act 349 is otherwise held invalid by a State or Federal court or repealed.

**LETTER OF UNDERSTANDING**  
**Article 8, Section D**  
**Computation of Back Wages**

The parties agree that the intent of Article 8, D. is that employees be made whole for established contractual violations and not recover more than what they would have earned if no violation had occurred.

Therefore, in the event that any governmental agent, or Agency seeks restitution of any amounts paid in unemployment compensation, long term disability compensation, workers compensation, social security, or welfare, which amounts were deducted from a back pay award pursuant to this Section, the Employer shall reimburse the grievant the amounts made by the grievant in restitution.

**FOR THE UNION**

Stephen P. Yokich  
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Thomas Mutchler  
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**FOR THE OFFICE OF THE STATE  
EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 8**  
**Grievance Procedure and Reinstatement of Grievances**

During the current negotiations, the parties acknowledge the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe.

Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union Representative involved, the International Union may inform the Office of the State Employer in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the State will not be liable for any claims for damages, including back pay claims, arising out of the grievance that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages arising out of the grievance against the State in the grievance procedure, or in any court or before any Federal, State, or municipal agency.

Notwithstanding the foregoing, a decision of the Arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved and the State and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the Arbitrator or other grievance resolutions.

It is understood this letter and the parties obligations to reinstate grievances as provided therein can be terminated by either party upon thirty (30) days notice in writing to the other.

It is agreed that none of the above provisions will be applicable to any case settled prior to November 17, 1985.

**FOR THE UNION**

Stephen P. Yokich  
Vice President  
International Union,  
UAW

Thomas Mutchler  
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UAW Local 6000

**FOR THE OFFICE OF THE STATE  
EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

## **LETTER OF UNDERSTANDING**

### **Article 8**

#### **Statewide Steward Training**

During negotiations in 1996, the parties discussed steward training and the role of Chief Stewards and Departmental Health and Safety Representatives in improving Labor/Management relations. Therefore, the Employer shall release without loss of pay Chief Stewards and one (1) Departmental Health and Safety Representative per Department to attend a statewide training session of five (5) days once during the life of this Agreement. The Employer shall not be obligated to pay travel expenses or overtime.

#### **FOR THE UNION**

David Burtch  
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Linda Taylor-Lewis  
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#### **FOR THE OFFICE OF THE STATE EMPLOYER**

Janine Winters  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 8, Section F**

During the negotiations in 2007, the parties discussed the information to be provided in order to secure release and pay under this Section. The parties acknowledge that the terms of settlement of ULP 2006-03928 provide that the form shall be completed as fully as possible. The parties agree to mutually develop a form to be used to request release and pay, including identifying any travel involved. Problems regarding completion of the form and other issues related to release shall first be discussed by the Local 6000 and Employer Representatives before being reported to the Office of the State Employer.



## **LETTER OF UNDERSTANDING**

### **Article 11**

#### **Seniority**

The seniority of Bargaining Unit members transferred prior to January 8, 1986, by Civil Service Commission action from other public or private jurisdictions to the classified State Civil Service as a result of legislation or Executive Order authorizing the accretion of a function and associated personnel, shall be the date specified in the Commission action for each assumption. However, if the transfer is pursuant to Act 89 of 1979, the outcome of the litigation in American Arbitration Association Case No. 54-39-1211-81 shall apply.

#### **FOR THE UNION**

Stephen P. Yokich  
Vice President  
International Union,  
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Thomas Mutchler  
President  
UAW Local 6000

#### **FOR THE OFFICE OF THE STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 12, Section A**

Through the expiration of this Agreement, December 31, 2015, the Employer agrees not to assert or exercise its rights, if any, related to reduction of hours of permanent full-time employees under Article 12, Section A. This Letter of Understanding shall not be construed as an admission by the Union of any right of the Employer to reduce the hours of employment nor as an admission by the Employer of the absence of any such right.

## **LETTER OF UNDERSTANDING**

### **Article 12, Section G**

#### **Recall from Layoff**

During negotiations in 2013, the parties discussed additional methods to contact employees to be recalled from layoff. The parties agree it is allowable for the Employer to contact employees at the current e-mail address or telephone number on record. It is further understood this does not diminish the Employer's responsibility to follow the provisions of Article 12, Section G., regarding contacting employees by regular and registered or certified mail.

**LETTER OF UNDERSTANDING**  
**Article 12 and Article 16**

Within ninety (90) calendar days of the effective date of this Agreement, the parties will seek a meeting with the Civil Service Commission to explore a process which would allow laid off employees the ability to be considered for appointment to Bargaining Unit classifications at their current level and below, based on an evaluation of their education and experience.

The process to be considered would expand the opportunity for consideration beyond an employee's primary and secondary classifications as defined in the Agreement. A request for evaluation shall be initiated by the employee. Employees laid off under the provisions of Article 12 and Article 16, Medical Layoff, of the Agreement will be eligible for such consideration. The ability to be considered under the provisions of this process will expire upon the expiration of recall rights.

In the event a process is developed, the Employer agrees to consider such employees when filling positions through the use of all other forms of appointment procedures. This provision is contingent upon the ability to automate the process which would allow Departments to identify employees to be considered.

## **LETTER OF UNDERSTANDING**

### **Article 13**

### **NEOGOV**

During the course of negotiations in 2011, the parties discussed the changes in technology related to the hiring process; specifically the Neogov system. The parties have agreed to explore the use of this technology for mutually beneficial opportunities in order to streamline the transfer request process. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

**LETTER OF UNDERSTANDING**  
**Article 13, Section B**

During negotiations in 2013, the parties discussed the issue of how to calculate the seventy-five (75) miles for reassignment. The parties agree the calculation of seventy-five (75) miles is work site to work site.

**LETTER OF UNDERSTANDING**  
**Article 14, Section E**  
**D.O.C. Meal Periods**

During negotiations in 1993, the parties discussed concerns raised by the Union regarding Article 14, Section E., Meal Periods, as it applies to Department of Corrections' employees. It is not the Employer's intent to reduce the employee's meal period. Management agrees to take into account unforeseen delays at security checkpoints in determining the amount of time necessary to provide an adequate break. Application of this letter shall be a proper subject for secondary negotiations.

**FOR THE UNION**

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Patricia A. Hough  
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Sharon Rothwell  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 16**  
**Disability Management**

During negotiations, the parties discussed the mutual concerns of the Union and the Employer regarding medical leaves of absence and employee disabilities. The parties acknowledge that these issues are of major significance.

Accordingly, the parties agree to meet and engage in ongoing discussions about disability management concerns. Such discussion shall include issues under consideration by the Disability Management Committee and employees' return to work from medical leave of absence with reasonable restrictions.

**FOR THE UNION**

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Thomas N. Hall  
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## **LETTER OF UNDERSTANDING**

### **Article 16**

#### **Hiring Freeze - Return Rights**

During negotiations in 1990, the parties discussed the impact of the hiring freeze on the recall of employees who have been denied a medical leave of absence and placed on the recall list. Upon request of the International Union, the parties will meet to discuss methods of enhancing the return rights of such employees.

#### **FOR THE UNION**

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George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 16, Section C**

During negotiations in 1998, the parties discussed benefit provisions for employees appointed as representatives for the International Union. The parties agreed that:

1. Employees will be paid off for their annual leave balance, at the employee's rate of pay, at the time of the appointment.
2. Employees appointed will be paid off for their sick leave balance at the final rate of pay of the classification from which the employee was appointed, in accordance with the criteria established in Article 40, Section D.
3. Employees will receive payment for their longevity upon retirement or death in accordance with the Civil Service Compensation Plan.

**LETTER OF UNDERSTANDING**  
**Article 16, Section C.3**  
**Medical Leaves of Absence**

During the negotiations in 2013, the parties discussed the distinction between a medical leave of absence and the payment of Long Term Disability (LTD) benefits under the State of Michigan LTD Income Protection Plan. It is understood that an employee's qualification for a medical leave of absence is different from his or her eligibility for LTD benefits. The determination of eligibility for LTD benefits made by the Third Party Administrator of the Plan is not to be used as the sole basis in deciding whether or not an employee will be required to return to work, and shall not constitute a second or third opinion under Article 16, Section C.3.

**LETTER OF UNDERSTANDING**  
**Article 16, Section C.5.**  
**Union Leave - Retirement Contributions**

In the event the Employer does not make retirement contributions on behalf of employees on Union leave, the Union retains the right to make such contributions unless prohibited by law.

**FOR THE UNION**

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## **LETTER OF UNDERSTANDING**

### **Article 18**

#### **Chief Stewards-at-Large**

During negotiations in 1990, the parties agreed to the release of up to five (5) employees to function as Chief Stewards-at-Large. These Chief Stewards-at-Large shall be released full-time on administrative leave to provide representation where necessary in any State Department. The crediting of seniority and reimbursement of applicable insurance premiums shall be in accordance with provisions of Article 7, Section D. 2.

#### **FOR THE UNION**

Stan Marshall  
Vice President  
International Union,  
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Joan M. Doyen  
President  
UAW Local 6000

#### **FOR THE OFFICE OF THE STATE EMPLOYER**

James B. Spellicy  
Deputy Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 18, Section D**  
**Extension of Leaves**

During negotiations in 1990, the parties discussed concerns raised by the Employer regarding extension of leaves under Article 18, Section D. It is understood that requests for extensions are not automatically granted. If the Union is intending to request an extension of an 18.D. leave, the proper notice will be given. If the Employer intends to disapprove the requested extension, it shall so notify the Union and, upon Union request, the parties will meet to discuss and attempt to resolve the situation.

**FOR THE UNION**

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**LETTER OF UNDERSTANDING**  
**Article 22**  
**Hepatitis B Vaccination**

The Employer agrees to make available the vaccination for protection against Hepatitis B to employees as identified below:

**Department of Corrections**

1. Employees who work inside the secure perimeter of a Correctional Facilities Administration (CFA) facility, or
2. Employees who have regular offender contact as part of their assigned duties that may involve exposure to blood or other potentially infectious materials on a routine or non-routine basis as a condition of employment.

**Department of Education**

School for the Deaf

(As currently provided)

**Department of Human Services**

Facility staff who are expected to render first aid as part of their assigned job duties.

**Department of Community Health**

Employees who are employed at:

- Caro Center
- Center for Forensic Psychiatry
- Hawthorn Center
- Kalamazoo Psychiatric Hospital
- Walter P. Reuther Psychiatric Hospital  
(as currently provided)

**LETTER OF UNDERSTANDING**  
**Article 22**  
**State Vehicles for On-call Workers**

During negotiations in 1998, the parties discussed concerns raised by the Union when workers in the Department of Human Services who are on-call and who are called back to work, are required to return to the work site to obtain a state vehicle. When the employee is required to utilize a State owned vehicle in the situation described herein, the employee will be provided with a State vehicle during the on-call period.



## **LETTER OF UNDERSTANDING**

### **Article 22**

#### **Employee Safety**

During the 1998 negotiations, the parties discussed their shared concern for the health and safety of Bargaining Unit employees. In addition, the parties discussed situations where employees may be at greater risk due to their particular job responsibilities. The Union expressed specific concerns regarding steps that should be taken to reduce potential dangers that might arise while employees are performing their job, including potential work place violence from recipients of State services.

The parties reaffirm their commitment to pursue cooperative efforts between labor and management that lead to identifying health and safety measures that can result in increased safety for employees. The parties agree that during the term of the Agreement, the Statewide Health and Safety Committee will explore ways to reduce or eliminate hazards confronted by employees on the job. Joint findings and recommendations will be considered by the Employer for implementation.

**LETTER OF UNDERSTANDING**  
**Article 22**  
**Joint Stress Study**

The Employer and Union will jointly identify and retain a consultant to review the potential sources of job stress in connection with classifications represented by the Union and the work sites where they work. In addition to the sources of job stress, the study shall include recommendations to reduce workplace stress, including, but not limited to consideration of workload, any individual the employee interacts with and employee involvement in job decisions and priorities. The consultant's work shall be funded as agreed to by the Employer and the Union, from the Joint Education, Training and Development Fund. The study will be for the internal use by the Employer and Union.

At the conclusion of the consultant's study, the consultant, Employer, and Union shall meet to discuss the study's findings and recommendations and identify those recommendations that should be implemented to address and reduce the sources of the stressors identified in the study. The Employer and Union agree to implement mutually agreed upon recommendations no later than December 31, 2015.

**LETTER OF UNDERSTANDING**  
**Article 25**  
**Reasonable Accommodations**

During negotiations in 1996 and 2011, the parties discussed concerns raised by the Union related to the importance of timely responses to reasonable accommodation requests. The Employer shall normally provide an initial response, which may be a request for additional information, within ten (10) work days, from the date the completed accommodations request is received. The Employer agrees to approve or deny requests for reasonable accommodations within current departmental procedures, but in no event, later than twenty (20) work days from the receipt of all necessary information. When the Employer has approved a reasonable accommodation request, the Employer shall order the materials, furniture, tools or other items including retrofitting/renovation necessary to implement the approved reasonable accommodation as soon as possible. If ordering cannot occur within thirty (30) work days from the date of approval, the Employer will provide a written explanation to the employee. Reasonable accommodation requests which are denied must be reduced to writing, outlining the reason for the denial.

The Employer agrees to expedite the grievance procedure for the handling of the grievances for denial of reasonable accommodation requests per the following procedure:

Step 1. The grievance is given to the immediate supervisor with a request to expedite.

If not expedited to the satisfaction of the employee/union;

Step 2. The union may verbally contact the Step Two (2) official, explain the situation and request an expedited answer.

If not expedited to the satisfaction of the employee/union;

Step 3. The union may verbally contact the Step Three (3) official, and request an expeditious answer.

## **LETTER OF UNDERSTANDING**

### **Article 29**

#### **Training**

During the 1996 negotiations, the parties discussed their respective positions as it relates to training, retraining, and new technology. The Union and the Employer agree that Bargaining Unit members play an important role in the delivery of State services, and that there is a direct relationship between employee performance and the effectiveness of the delivery of services they are to provide. The parties further agree that training and retraining efforts are important factors in pursuing such objectives as continuous quality improvement, operational effectiveness, and enhanced job security through opportunities for advancement.

When the Employer intends to introduce new or advanced technology which will have a significant impact on either the way the work is performed or on Bargaining Unit employees, the Employer will notify the Union as soon as practicable in advance of such action, and will, upon request, meet to discuss the impact upon employees. Such discussions may include a review of training which may be necessary for those employees required to perform the job responsibilities impacted by the new technology. The Union shall have the opportunity to provide input into the development of such training. Such retraining may be in the form of on-the-job, vocational, and/or formal education courses.

The Joint Advancement Committee (JAC) will meet to review and promote the development and implementation of skill development and training activities.

## **LETTER OF UNDERSTANDING**

### **Article 34**

#### **Substitute Teachers**

During negotiations in 1987, the parties discussed the method utilized for compensating School Teacher-E (P-11) who are utilized as substitute teachers.

Effective with the first full pay period following the effective date of this Agreement, permanent-intermittent School Teacher-E (P-11) shall move to the next step in the pay range after completion of 2,080 hours of continuous service.

Effective with the same pay period, current substitute teachers who have completed at least 2,080 hours of service shall be moved to the second step in the pay range.

#### **FOR THE UNION**

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#### **FOR THE OFFICE OF THE STATE EMPLOYER**

George G. Matish  
Director

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Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 34**  
**Transfer Rights for Permanent-Intermittent Employees Within the**  
**Department of State**

During negotiations in 1993, the parties discussed the transfer rights of permanent-intermittent employees within the Department of State being eligible to be placed on the transfer list within their work site for full-time vacancies.

Accordingly, the parties agree that the permanent-intermittent employees within the Department of State shall be eligible to be placed on the transfer list for full-time vacancies for their work site.

The parties further agree that the initial vacancies of permanent-intermittent positions will not be posted at the work sites of the vacancy.

**FOR THE UNION**

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**FOR THE OFFICE OF THE  
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Sharon Rothwell  
Director

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## **LETTER OF UNDERSTANDING**

### **Article 35**

#### **Tuition Reimbursement**

During the 1998 negotiations, the parties discussed the issue of tuition reimbursement and the impact on the Joint Employee Education Training and Development Fund. This is to express that the tuition reimbursement is separate from the Joint Employee Education Training and Development Fund. In the event funds have been allocated to the Departments for tuition reimbursement, UAW represented employees will have access to such funds as outlined in Article 35, Section G.

**LETTER OF UNDERSTANDING**  
**Article 35, Section B**  
**Department of Corrections–Firearms**

During negotiations in 1990, the parties discussed the issue of carrying and use of weapons by parole/probation officers in the Department of Corrections.

The parties agree that it is in the best interest of the employees and the Department to negotiate a resolution to the disputes surrounding the carrying and use of weapons, including firearms. Accordingly, the parties agree to refer to secondary negotiations the following:

- Training in the use of firearms;
- Reasonable policies and procedures surrounding the carrying of firearms.

This Letter of Understanding does not grant any employee an entitlement to carry or possess a weapon, including a firearm.

**FOR THE UNION**

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James B. Spellicy  
Deputy Director

Thomas N. Hall  
Chief Negotiator



**LETTER OF UNDERSTANDING**  
**Article 35, Section K**

The parties agree that the accounting procedures utilized to process employee reimbursement of jury duty pay when the employee elects to receive administrative leave in lieu of jury duty pay will be as outlined in the State of Michigan Financial Management Guide Chapter 4, Section 200, Jury Duty/Witness Fees Received, dated March 11, 2008.

In the event such provisions are amended for non-exclusively represented employees, the parties agree to meet to review such changes and may, by mutual agreement of the parties, amend these procedures.

## **LETTER OF UNDERSTANDING**

### **Article 37**

#### **Moving Expenses**

The parties have discussed the closure of the Department of Community Health facilities and the resulting layoff of employees at these agencies. The premise of such discussions was that there is no reasonable likelihood of these agencies being reopened and employees being recalled to these facilities.

In consideration of these circumstances, the parties agree that employees in the Administrative Support and Human Services Bargaining Units are eligible for benefits in Article 37, Moving Expenses. Reimbursement for eligible expenses shall be made by the Department of Community Health under the following conditions:

1. If the employee is laid off (as defined in Article 43, Section I, Severance Pay) or if an employee transfers in lieu of layoff in accordance with Article 13, or once the Director of DCH has officially designated an agency is to be closed, and if the employee accepts employment with the State of Michigan at another location and provides satisfactory proof of relocation to the Department of Community Health's Central Personnel Office.
2. The maximum benefit for moving, travel, storage, etc. under this provision shall be \$3,000.
3. If the employee voluntarily separates within the first six (6) months from the new employment, the employee shall repay to the State all monies received under this provision.
4. Any unemployment benefits which the employee receives as a result of being laid off shall be deducted from the maximum \$3,000.

#### **FOR THE UNION**

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James B. Spellicy  
Deputy Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 40, Section E**  
**Paid Sick Leave**

During negotiations in 1996, the parties discussed the issue of the Employer having a reasonable basis for requiring an employee to provide acceptable medical verification for sick leave use. The parties reviewed some examples of when such a basis exists. Some of the examples included are: when an employee has been counseled for excessive use of sick leave, when the employee has been hospitalized, when the employee has requested and been denied the use of annual leave, or a claim of illness on the date of a reassignment. This list is illustrative, and not exhaustive, of the situations under which the Employer has a reasonable basis for requiring medical verification.

**LETTER OF UNDERSTANDING**  
**Article 41, Section D**  
**C.A.P. Deductions**

During the current negotiations, the parties acknowledge the Civil Service Commission's current policy prohibiting payroll deduction and remittance for the purpose of contributing, voluntarily or otherwise, to a political action committee. Accordingly, the parties jointly agreed not to conduct negotiations over the subject at this time.

In the event said Civil Service Commission Policy is amended to allow such payroll deduction and remittance, the parties will commence negotiations on the subject, upon the request of the Union, and subject to such restrictions as the Civil Service Commission may establish.

**FOR THE UNION**

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**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
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**LETTER OF UNDERSTANDING**  
**Article 41, Section D**  
**Payroll Deductions and Remittance for Michigan Education Trust**

During 1990 negotiations, the parties discussed Bargaining Unit employees' opportunity for payroll deduction in conjunction with individual employee's participation in the Michigan Education Trust (M.E.T.). It is understood that initiation and continuation of the M.E.T. payroll deduction program is subject to the provisions of applicable statutes and regulations, and will be administered in accordance with such laws and regulations. Applications for enrollment shall be accepted only during an open enrollment period established by M.E.T. Should the Michigan Education Trust determine to alter, amend, or terminate such payroll deduction program, the State will provide the Union advance notice and, upon Union request, meet to review and discuss the reasons for such actions prior to their implementation.

**FOR THE UNION**

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Vice President Stan Marshal

Joan M. Doyen  
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**FOR THE OFFICE OF THE  
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James B. Spellicy  
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**LETTER OF UNDERSTANDING**  
**Article 43, Section A**

Effective October 1, 2005, a new base step will be added to each level of each pay range which shall be the current base step minus the difference between the current base step and the first step. In the event that the creation of such a new base step results in an employee employed in these Bargaining Units on January 1, 2005 being placed at a lower pay rate upon promotion than they would have received under the pay range structure in place on September 30, 2005, the Employer will utilize provisions of Civil Service Regulation 5.01 Section 3.D. to grant an additional step.

## **LETTER OF UNDERSTANDING**

### **Article 43, Section C Cafeteria Benefits Plan**

During 1992 negotiations, between the State of Michigan and the UAW, the parties agreed that a Cafeteria Benefits Plan will be offered for all Bargaining Unit members beginning FY94. The Cafeteria Benefits Plan will be offered to all Bargaining Unit members during the annual enrollment process conducted during the summer of 1993 and will be effective the first full pay period in October, 1993 or as soon thereafter as administratively possible.

The Cafeteria Benefits Plan will consist of the group insurance programs and options available to Bargaining Unit members during FY93 with three (3) exceptions: (1) Financial incentives will be paid to employees selecting HMO or a new Catastrophic Health Plan rather than Standard Health Plan coverage; (2) A financial incentive will be paid to employees selecting a new Preventive Dental coverage rather than the Standard State Dental Plan; and (3) Employees will have a new option available under life insurance coverage (one [1] times salary or \$50,000 rather than two [2] times salary). Premium splits in effect during FY93 will continue during FY94.

The parties discussed the manner in which employees will make individual benefit selections under the Cafeteria Benefits Plan and agreed to use a form patterned after the attached "sample" UAW Enrollment Form to communicate: The benefit credits given to each employee; any current individualized enrollment information on file with the Employer; and the benefit selections available including costs or price tags. Changes in benefit selections made by employees may be made each year during the annual enrollment process or when there is a change in family status as defined by the IRS.

During FY94, financial incentives to be paid are: \$125 to employees selecting HMO coverage; \$1,300 to employees selecting Catastrophic Health Plan coverage; and \$100 to employees selecting the Preventive Dental Plan. Incentives are paid each year and are the same regardless of an employee's category of coverage. For example, an employee enrolled in employee-only coverage electing the Catastrophic Health Plan for FY94 will receive \$1,300 as will an employee enrolled in full-family coverage electing the Catastrophic Health Plan. Incentives to be paid will be determined in conjunction with the annual rate setting process administered by the Department of Civil Service and the State Personnel Director. The amount of the incentive to be paid to employees selecting the lower-level of life insurance coverage is based on an individual's annual salary and the rate per \$1,000 of coverage, and therefore may differ from employee to employee.

Financial incentives paid under the Cafeteria Benefits Plan to employees electing HMO, Catastrophic Health or Preventive Dental Plan coverage will be paid bi-weekly. As discussed by the parties, incentives can be taken in "cash" on an after-tax basis or directed on a pre-tax basis into the Flexible Spending Accounts or Deferred Compensation Plans. Similarly, any additional amounts received as the result of selecting less expensive life insurance coverage will be paid bi-weekly.

The parties agree to meet as soon as possible following Civil Service Commission approval for the purpose of discussing disseminating information about the Cafeteria Benefits Plan.



**LETTER OF UNDERSTANDING**  
**Article 43, Section C**  
**Rules for Network Use**

The attached rules for network use will be used by the parties in determining in and out-of-network benefits. In addition, the parties agree to set up a joint committee for the purpose of creating any additional guidelines and reviewing implementation. The committee will also be charged with identifying situations in which access to non-participating providers may be necessary and developing procedures to avoid balance billing in these situations.

The parties have also discussed the fact that there are some State employees who do not live in Michigan. The following are procedures in place for persons living or traveling outside of Michigan:

Members who need medical care when away from Michigan can take advantage of the Third Party Administrator (TPA) national PPO program. There is a toll-free number for members to call in order to be directed to the nearest PPO provider. The member is not required to pay the physician or hospital at the time of service if he/she presents the PPO identification card to the network provider.

If a member is traveling he/she must seek services from a PPO provider. Failure to seek such services from a PPO provider will result in a member being treated as out-of-network unless the member was seeking services as the result of an emergency.

If a member resides out of state and seeks non-emergency services from a non-PPO provider, he/she will be treated as out-of-network. If there is not adequate access to a PPO provider, exceptions will be handled on a per case basis.

**RULES FOR NETWORK USE**

**Effective October 12, 2014 see Appendix E-2 for member costs.**

**A member is considered to have access to the network based on the type of services required, if there are:**

- Primary Care - Two Primary Care Physicians (PCP) within fifteen (15) miles ;
- Specialty Care - Two (2) Specialty Care Physicians (SCP) within twenty (20) miles; and
- Hospital - One (1) hospital within twenty-five (25) miles.

**SHP PPO Member Costs Associated within In-Network or Out-of-Network Use (for eligible employees hired prior to April 1, 2010 and covered by the SHP PPO)**

	<b>In-Network</b>	<b>Out-of-Network</b>
Deductible	\$300/individual \$600/family	\$600/individual \$1,200/family
Co-payments	Office Visits \$15 Services 0% or 10% Emergency 0%; \$50 co-pay if not admitted	Most services 10%
Preventive Services	Covered at 100% Limited to \$1,500 per Calendar year per person.	Not covered
Out-of-Pocket Maximum	\$1,000/Individual \$2,000/Family	\$2,000/Individual \$4,000/Family

**NSHP PPO member costs associated within In-Network or Out-of-Network Use (for eligible employees hired on or after April 1, 2010 and covered by the NSHP PPO)**

	<b>In-Network</b>	<b>Out-of-Network</b>
Deductible	\$400/Individual \$800/Family	\$800/Individual \$1,600/Family
Co-payments	Office Visits \$20 Services 0% or 10% Emergency \$200 co-pay if not admitted	Most Services 20%
Preventive services	Covered at 100%	Not Covered
Out-of-pocket Maximum	\$1,500/Individual \$3,000/Family	\$3,000/Individual \$6,000/Family

- 1. If a member has access to the network, the member receives benefits at the in-network level when a network provider is used.** The member is responsible for the in-network deductible (if any) and co-payment (if any). If a network provider refers the member to an out-of-network SCP the member continues to pay In-network expenses.

- 2. If a member has access to the network, the member receives benefits at the out-of-network level when a non-network provider is used.** The member is responsible for the out-of-network deductible (if any), and co-payment (if any).
- If the non-network provider is a Blues' participating provider, the provider will accept the Blues' payment as payment. The member is responsible for the out-of-network deductible and co-payment. The member will not, however, be balance billed.
  - If the non-network provider is not a Blues' participating provider, the provider does not accept Blues' payment as payment in full. The member is responsible for the out-of-network deductible and co-payment. The member may also be balance billed by the provider for all amounts in excess of the Blues' approved payment amount.

**When a member has access to the network and chooses to use an out-of-network provider, amounts paid toward the out-of-network deductible, co-payment or out-of-pocket maximum cannot be used to satisfy the in-network deductible, co-payments or out-of-pocket maximum.**

- 3. If a member does not have access to the network as provided above, the member will be treated as in-network for all benefits.** The member will be responsible for the in-network deductible (if any) and co-payment (if any).
- 4. If a member does not have access to the network but then additional providers join the network so that the member would now be considered in-network,** the member will be notified and given a reasonable amount of time in which to seek care from an in-network provider. Care received from a non-network provider after that grace period will be considered out-of-network and the out-of-network deductibles, co-payments and out-of-pocket maximums will apply. If a member is undergoing a course of treatment at the time he becomes in-network, the in-network rules will continue for that course of treatment only pursuant to the PPO Standard Transition Policy. Once the course of treatment has been finished, the member must use an in-network provider or be governed by the out-of-network rules.

**LETTER OF UNDERSTANDING**  
**Article 43, Section C**  
**Group Insurance Premiums For Less Than Full Time Employees**

Employees hired on or after January 1, 2000, who are appointed to a position with a regular work schedule consisting of forty (40) hours or less per bi-weekly pay period shall pay fifty percent (50%) of the premium for health, dental and vision insurance. This shall not apply to an employee appointed to a permanent-intermittent position. Eligibility for enrollment shall be in accordance with current contractual provisions.

Employees who have a regular work schedule of forty (40) hours or less per bi-weekly pay period who are temporarily placed on a regular work schedule of more than forty (40) hours per bi-weekly pay period for a period expected to last six (6) months or more shall be considered as working a regular work schedule of more than forty (40) hours for the period of the temporary schedule adjustment.

**FOR THE UNION**

Dave Burtch

Linda Taylor-Lewis

**FOR THE EMPLOYER**

Janine M. Winters

Thomas N. Hall

**LETTER OF UNDERSTANDING**  
**Article 43, Section C**  
**Administrative Support and Human Services Unit**  
**Group Insurances**

Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the plan shall be amended to allow a participating employee to enroll one (1) other eligible adult individual, as set forth below.

To be eligible, the individual must meet the following criteria:

1. Be at least 18 years of age;
2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles or cousins; and
3. Have jointly shared the same regular and permanent residence for at least twelve (12) continuous months, and continues to share a common residence with the employee other than as a tenant, boarder, renter or employee.

Dependents and children of another eligible adult individual may enroll under the same conditions that apply to dependents and children of employees.

In order to establish that the criteria have been met, the Employer will require the employee and other eligible adult individual to sign an affidavit setting forth the facts which constitute compliance with those requirements.

**LETTER OF UNDERSTANDING**  
**Article 43, Section C.1.b(8)**  
**Mammograms**

During the negotiations, the parties discussed the American Cancer Society (ACS) guidelines regarding frequency of mammogram examinations. It is agreed by the parties that the contractual provision relative to mammogram examination shall be administered in accordance with these guidelines.

**FOR THE UNION**

Leonard J. Paula  
Coordinator

Thomas Mutchler  
President

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section C.2**  
**Dental X-rays**

During compensation negotiations for fiscal year 1987-88, the parties discussed the modification of coverage for bite-wing and full-mouth x-rays to reduce inappropriate taking of x-rays by providers. It is the intent of the parties to implement these provisions without financial liability to employees and dependents. As such, the parties agree that employees and dependents shall be held harmless from any dental x-ray charges, and/or cost of legal action, and/or collection agency claims relative to such charges which result from the dental plan finding that x-rays are not necessary or appropriate.

**FOR THE UNION**

Stephen P. Yokich  
Vice President  
International Union,  
UAW

Thomas Mutchler  
President  
UAW Local 6000

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section E**  
**Hazard Pay Premium**

The parties agree that the facilities in the Department of Corrections which have a designation of close, maximum or administrative segregation overall rating or medium overall rating containing administrative segregation units are as follows:

- a.** Reception and Guidance Center at C. Egeler Facility (RGC)
- b.** Bellamy Creek (Inside only, not Dorms) (IBC)
- c.** Marquette (Inside only, not Farms or Dorms) (MBP)
- d.** Ionia Correctional Facility (ICF)
- e.** Michigan Reformatory (RMI)
- f.** Duane Waters Health Care Center located at C. Egeler Reception and Guidance Center (DWHC)
- g.** Allegiance Hospital (secure unit only)
- h.** Alger Correctional Facility (LMF)
- i.** Baraga Correctional Facility (AMF)
- j.** Oaks Correctional Facility (ECF)
- k.** St. Louis Correctional Facility (SLF)
- l.** Chippewa Correctional Facility (URF)
- m.** Kinross Correctional Facility (KCF)
- n.** Woodland Center Correctional Facility (WCC)

In the event that additional institutions are so designated, there are other changes to the above list, or any disputes arise with respect to application of Article 43, Section E—High Security Premium Pay, these disputes shall be referred to the International Union and Office of the State Employer for resolution. It is the Employer's responsibility to notify the Union of any increases or decreases in security designation or additions or deletions to administrative segregation units.



**LETTER OF UNDERSTANDING**  
**Article 43, Section I**  
**Severance Pay**

During negotiations in 1988, the parties discussed the provisions of Article 43, Section I., Severance Pay.

The Union expressed concern over situations of the nature described in this Section which are not specifically identified therein.

The Employer agrees that, if such circumstances as currently described in this Section arise during the term of the Agreement, the Union is not precluded from discussing the application of this provision to such situations.

**FOR THE UNION**

Leonard J. Paula  
Coordinator

Thomas Mutchler  
President  
UAW Local 6000

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section I**  
**Severance Pay/Retirement**

The parties have discussed application of this Section as it applies to certain employees eligible for retirement. While employees will not be denied severance pay due to retirement eligibility, the parties agree that offsets may be calculated in accordance with the [Age Discrimination in Employment Act](#) (ADEA) and the Older Workers Benefit Protection Act.

**FOR THE UNION**

David Burtch  
Assistant Director  
T.O.P. Department  
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Patricia A. Hough  
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**FOR THE OFFICE OF THE  
STATE EMPLOYER**

Sharon Rothwell  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section K**  
**Reimbursement Rates**

During negotiations in 1987, the parties discussed the application of Article 43, Section K. Reimbursement Rates as applied to Schedule II employees in the Michigan Department of Transportation. The parties agree that effective October 1, 1988, all permanent employees currently covered by the Michigan Department of Transportation Travel Regulations shall continue to be covered by these regulations except as indicated below. All other employees shall be covered by the State Standard Travel Regulations. Employees covered by the State Standard Travel Regulations shall have their official work station designated by the Appointing Authority in accordance with the State Standard Travel Regulations.

1. All newly hired or recalled employees shall be covered under the State Standard Travel Regulations.
2. All employees who accept a promotion (not reallocation) or who receive a seniority transfer in accordance with Article 13, shall be covered by the State Standard Travel Regulations.
3. Any employee may voluntarily change to the Standard Travel Regulations at any time by indicating a desire to do so in writing.
4. Employees who accept a promotion and relocate at least twenty-five (25) miles closer to the official work station shall be eligible for relocation expense reimbursement in accordance with Article 37 of the Agreement.

This Letter of Understanding will remain in effect through December 31, 2015, unless otherwise agreed to in secondary negotiations.

**FOR THE UNION**

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Vice President  
International Union,  
UAW

Thomas Mutchler  
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UAW Local 6000

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section K**  
**Meal Receipts**

During the negotiations in 2013, the parties discussed the requirement in Article 43, Section K. to attach the receipt for any reimbursed meal to the request for travel reimbursement for actual expenses up to the maximum reimbursable rate as provided in Article 43.

The Employer and Union agree to implement a pilot program to suspend the requirement to attach meal receipts to such requests. Since travel reimbursement is subject to departmental review, it remains the employee's responsibility to maintain supporting documentation of actual meal expenses incurred for which reimbursement from the Department was received.

The pilot program will continue for the duration of the Agreement unless the Office of the State Employer identifies problems that cannot be resolved after meeting with the Union. The Employer reserves the right to reinstate the requirement for receipts at any time during the pilot program if the parties fail to resolve any identified problems.

**LETTER OF UNDERSTANDING**  
**Article 43, Section Q**  
**Education, Training and Development Fund**

During the current negotiations, the Employer and the UAW agreed to establish a jointly-administered comprehensive, new Employee Education, Training and Development Program. It will promote education, training and development activities which will contribute to the well-being of the employees, and hence, the Employer.

A joint governing body consisting of an equal number of representatives, five (5) from the UAW and five (5) from the State, shall direct and guide the activities of the Fund. It is understood that the Fund will make available a wide range of educational, training and development services and activities to the parties for their utilization based on their specific needs.

Because of the uniqueness and scope of this joint undertaking, it is agreed that it would be appropriate for the governing body to establish specific goals and objectives consistent with the intent of this Letter of Understanding and the level of funding as provided in the Settlement Agreement dated October 3, 1988.

Although funding will not be available until October 1, 1989, the joint governing body will meet and begin its work upon the ratification of this Agreement. It is the parties' desire that programs be available upon the effective date of the funding authorization.

Establishment of the Employee Education, Training and Development Fund will provide the parties with unusual opportunities to develop and implement mutually agreeable training and education activities. These activities will focus on the needs of all employees and will include specific efforts to assure Union and Management Representatives are trained in participative, cooperative techniques and concepts.

It is understood that this program will not replace the Employer's obligation to provide the training specified in the Collective Bargaining Agreement. Further, establishment of the program will not limit the right of either party to provide educational and training programs on the same, similar or other subjects as it may deem appropriate. Finally, the grievance procedure set forth in Article 8 of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter relating to this program.

The program will be designed to identify education, training and retraining needs for members to explore existing educational resources, and to publicize these resources to meet employee needs and encourage workers' participation. The joint governing body will coordinate use of existing resources within the Employer and the Union, where feasible, in meeting employee educational/training needs.

When necessary, other sources of training, education and development will be provided.

The parties understand that the development of these programs and activities will evolve over a period of time. In general the following outlines the development of the program's phases:

- Identification of employee (individual and group) educational, training, and development needs and coordination of educational/training resources.
- Development of programs designed to meet those employee needs not addressed by existing resources, and
- Coordination of forums, seminars, and workshops for the exchange of ideas and concepts.

**FOR THE UNION**

Leonard J. Paula  
Coordinator Director

Thomas Mutchler  
President  
UAW Local 6000

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

George G. Matish  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Article 43, Section Q**

During the 2004 negotiations, the parties agreed to suspend contributions to the Joint Employee Education, Training and Development Fund until such time as the balance in the fund is below \$5 million on March 31 of any year. In such event, the actual amount will be funded during the next fiscal year.

**LETTER OF UNDERSTANDING**  
**Article 52**  
**Drug and Alcohol Testing**

During the current negotiations, the parties recognized that the UAW has challenged the legality of certain aspects of the drug and alcohol testing that the Commission directed be included in Article 52 of the 1999-2001 contract. This contract maintains the language of Article 52 of the prior contract with the express understanding that the UAW maintains its challenges to that language as set forth in the pending United States District Court action of International Union v Winters, et.al, 5:00-cv-21. The parties further acknowledge that the provisions of Article 52 in this contract remain in full force and effect unless the Federal Court determines otherwise. If the UAW should prevail on any part of its challenges, the parties shall promptly enter into collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such part or parts.

**FOR THE UNION**

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International UAW

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Linda Taylor-Lewis  
President  
UAW Local 6000

**FOR THE OFFICE OF THE  
STATE EMPLOYER**

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## **LETTER OF UNDERSTANDING**

### **Joint Economic Efficiency and Employment Continuity Committee**

During negotiations, the parties discussed issues relating to improved productivity and efficiency in State Government, including the issue of job security for employees. In a joint effort to effectively deal with these issues the parties agree to establish a Joint Economic Efficiency and Employment Continuity Committee. The Committee shall be comprised of four (4) representatives of the Union appointed by the Vice President and Director of the International Union Public Sector and Health Care Servicing Department, and four (4) representatives of the Employer appointed by the Director of the Office of the State Employer. The Union Representatives will be released and compensated in a manner consistent with provisions of Article 7, Section D.2. The Committee will explore methods of promoting more efficient operations as well as methods to provide job security. The Committee may review such areas as staffing ratios, subcontracting, funding sources, inefficiency, self-directed work teams, or other areas which promote the objective of the Committee. Any agreed upon changes will be implemented as feasible. The Committee shall meet as mutually agreed. The Committee shall function until December 31, 2015 unless mutually agreed otherwise.

**LETTER OF UNDERSTANDING**  
**State Worker 4**

Within thirty (30) calendar days of the effective date of this Agreement, the parties will meet to review the duties and responsibilities performed by non-exclusively represented employees classified as State Worker 4. The parties agree to recommend the assignment of those positions performing Bargaining Unit work to the Bargaining Unit. The current compensation provisions for State Worker 4 shall continue in accordance with the current practice.

**FOR THE UNION**

David Burtch  
Assistant Director  
T.O.P. Department  
International Union,  
UAW

Linda Taylor-Lewis  
President  
Local 6000-UAW

**FOR THE OFFICE OF THE STATE  
EMPLOYER**

Janine Winters  
Director

Thomas N. Hall  
Chief Negotiator

**LETTER OF UNDERSTANDING**  
**Student Assistant**

Within thirty (30) calendar days of the effective date of this Agreement, the parties will meet to review the duties and responsibilities performed by non-exclusively represented employees classified as Student Assistant. The parties agree to recommend the assignment of those positions performing Bargaining Unit work to the Bargaining Unit. The current compensation provisions for Student Assistant shall continue in accordance with the current practice.

**FOR THE UNION**

David Burch  
Assistant Director  
T.O.P. Department  
International Union,  
UAW

Sharon Rivera  
President  
Local 6000-UAW

**FOR THE OFFICE OF THE STATE  
EMPLOYER**

David H. Fink  
Director

Thomas N. Hall  
Chief Negotiator

## **LETTER OF UNDERSTANDING**

### **Family and Medical Leave Act**

During the 1996 negotiations, the parties discussed the Family and Medical Leave Act (FMLA), enacted into law on February 3, 1993, and its impact on the Agreement. The parties also discussed the changes in administering the provisions of the Act as a result of the U.S. Department of Labor's Final Regulations effective April 6, 1995, and subsequent Final Regulations effective January 16, 2009. The Employer assured the Union that the revisions in the Agreement are not intended to diminish the rights of employees under the Act. Employee obligations under the Act remain unaffected. The Employer's rights under the Act will be as modified in this Agreement.

It is further agreed that the twelve (12) month period during which an employee's twelve (12) work weeks leave entitlement occurs will be as provided in the Department of Civil Service, Compensation Standards and Procedures approved by the Civil Service Commission on July 21, 1993, and defined as follows: The twelve (12) month period begins on the first date the employee's parental, family care or medical leave is taken; the next twelve (12) month period begins the first time leave is taken after completion of any previous twelve (12) month period. In the event the Civil Service Commission proposes a change in the definition of the twelve (12) month period, the parties will discuss the effect on this Agreement.

The Employer may make any changes necessitated by the final regulations and subsequent court decisions. However, the Employer agrees that it will not reduce leaves provided by the Collective Bargaining Agreement.

Grievances alleging contract violations resulting from compliance with the FMLA may be filed at Step 3 of the grievance procedure, however, an Arbitrator shall not have authority to interpret the provisions of the Act.

**LETTER OF UNDERSTANDING**  
**Human Resources Management Network (HRMN)**

During negotiations in 2001, the parties reviewed changes in terminology that resulted from the implementation of the new payroll-personnel system, HRMN. The parties have elected to continue to use terminology that existed prior to the implementation of HRMN even though that same terminology is not utilized in HRMN. The parties agree that the HRMN terminology does not alter the meaning of the contract language unless specifically agreed otherwise.

An example of this are the terms "transfer, reassignment, and demotion" which are called "job change" in HRMN. The HRMN history record will show each of these transactions as a job change, however, they will continue to have the same contractual meaning they had prior to the implementation of HRMN.

**LETTER OF UNDERSTANDING**  
**American Flag**

The parties agree that in normal business office settings employees shall be allowed to appropriately display a reasonably sized American flag at their work station and/or on clothing that otherwise complies with the Employer's grooming and attire standards.

## **LETTER OF UNDERSTANDING**

### **Pay for Substitute Teaching During Preparation Period – MSD**

The parties have discussed the established practice of compensating teachers at the Michigan School for the Deaf who act as a substitute teacher during their preparation period. Due to the difficulty in finding qualified substitute teachers, and in order to continue the educational programs for students, the parties agree to continue the practice of compensating teachers at their hourly rate for the additional time spent as a substitute during their preparation period.

**LETTER OF UNDERSTANDING**  
**Extracurricular Responsibilities at MSD**

The parties have discussed the long standing practice of assigning extracurricular responsibilities at the Michigan Schools for the Deaf. Examples of these activities/responsibilities are Student Activities Director, Boys Basketball Coach, Yearbook Project Coordinator, etc. The parties agree to continue those practices.

Each spring the Administrative Director shall determine the responsibilities to be performed for the upcoming school year. Rates of compensation shall be established by the Administrative Director based on budget considerations, expected student participation and season schedule. This information will be forwarded to the Office of the State Employer no later than July 1 of each year. The Office of the State Employer will review the proposed schedule and forward it to the State Personnel Director for review and approval.

The Administrative Director will provide notice of the extracurricular responsibilities to all staff. The assignment of these responsibilities will continue in accordance with current practice.



**LETTER OF UNDERSTANDING**  
**UAW Local 6000**  
**Limited Term Appointments**

Beginning January 1, 2008, when an employee has been in the same limited term appointment for 4,160 continuous service hours, the employee shall be made permanent, unless the employee is working in a project which has an established ending date. This provision shall not apply to Private Funded Agreement (PFA), Community Partners/Community Placement (CPCP) and Medical Assistance Donation Agreement (MADA) positions in the Department of Human Services, nor to limited term appointments resulting from the implementation of Business Automation Modernization (BAM) in the Department of State, nor shall it apply in the case of a continuing State classified employee who accepts an appointment to a limited term position in accordance with Article 12, Section A. This Letter of Understanding is entered into with the good faith intent to prevent the use of limited term appointments to avoid making permanent appointments.

## **LETTER OF UNDERSTANDING**

### **Joint Healthcare Committee**

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "committee") whose charges will include, but not be limited to:

- a.** Analysis of current plan performance identifying opportunities for improvement;
- b.** Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;
- c.** Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;
- d.** Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;
- e.** Investigate impact on outcomes and costs of value based benefit designs;
- f.** Identify opportunities for cost-containment programs and carve out programs;
- g.** Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;
- h.** Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;
- i.** Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;
- j.** Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;
- k.** Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the committee in carrying out their charges.

Within thirty (30) days of the effective date of the Agreement, each Union shall appoint a representative to serve on the committee and the Employer shall designate up to four (4) representatives. The committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the committee shall be scheduled, with the first being held no later than forty-five (45) days following the effective date of the Agreement.

## **LETTER OF UNDERSTANDING**

### **New Solutions Committee**

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that lean optimization can be a valuable tool in achieving the effective use of resources. Lean optimization has the simple goal of helping State Government work better for both its customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the coalition unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives from the Departments and/or the Civil Service Commission may participate as needed. The committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.

**LETTER OF UNDERSTANDING**  
**Appendix A & B**  
**State Transitional Positions**

In accordance with Civil Service Regulation 3.14, a State Transitional Position (STP) is a position that is designated as transitional to protect an employee's pay. The transitional designation of an existing position facilitates career movement of employees with status and specific education or experience to new careers. Such positions are indicated in the Human Resources Management Network (HRMN) as "STP" in the position description. The designation is added to the position prior to appointment and removed after the employee's successful completion of the experience requirements.

During the negotiations in 2013, the parties discussed the proper overtime code for STPs in classifications assigned to the Administrative Support and Human Services Bargaining Units. The Employer and Union agree that a STP is eligible for overtime as designated for the new classification to which it is attached as found in Appendix A or Appendix B.